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INFO RUEHUL/AMEMBASSY SEOUL PRIORITY 0216
RUEHBY/AMEMBASSY CANBERRA PRIORITY 4516
RUCNDT/USMISSION USUN NEW YORK PRIORITY 0065

S E C R E T WELLINGTON 000665

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E.O. 12958: DECL: 08/24/2016

TAGS: KNNP KPAO PARM PREL MNUC PTER SUBJECT: KIWIS OFFER HELP ON NORTH KOREA

REF: A. SECSTATE 136495

¶B. WELLINGTON 507

¶C. WELLINGTON 176

1D. WELLINGTON 655

Classified By: DCM David J. Keegan, for reasons 1.4 (b) and (d)

- 11. (C/NF) Summary: New Zealand officials say there is no direct trade between New Zealand and DPRK but they will advise GNZ entities to be on the lookout for trade and financial activities related to North Korea's ballistic missile programs. New Zealand does not have the means to identify suspect DPRK entities on its own, so would appreciate any available U.S. information. The GNZ is also willing to use NZ diplomats' trips to Pyongyang to help the U.S. gather information on DPRK companies. NZ officials say two groups of DPRK officials may visit Wellington over the coming months. Embassy Wellington recommends Washington add regular consultations on North Korea to our list of possible areas for US-NZ bilateral cooperation. End Summary.
- 12. (C/NF) On August 23, Pol-Econ Couns discussed UNSC Resolution 1695 per ref A instructions with David Taylor, Director for North Asia at the Ministry of Foreign Affairs and Trade (MFAT) and Taylor's Deputy, Wendy Hinton. Taylor said GNZ would comply fully with UNSC 1695, and said he would inform NZ Customs and other entities of the resolution's export requirements. He said he has also requested an MFAT review to ensure that New Zealand export controls are adequate for the job. In practice, however, New Zealand has not had direct trade with North Korea for at least six years. Said Taylor, "The DPRK sells nothing we want and our exporters suspect the North Koreans can't pay for New Zealand products." Some New Zealand consumer products do find their way into the N. Korean market, but via Chinese trading companies rather than direct imports. Taylor, who was New Zealand's Ambassador to North Korea (resident in Seoul) before taking on his current role, suspects DPRK officials prefer the PRC trading houses because they offer bribes.
- ¶3. (C/NF) Taylor said NZ law is sufficient to deal with N.Korean financial transactions but GNZ does not have the means to identify which DPRK companies are involved in missile-related trade. It would be very helpful if USG agencies could provide an unclassified list of entities which GNZ could provide to NZ financial institutions. MFAT would also appreciate USG background information about the companies, as NZ diplomats typically meet with North Korean "showcase" companies when in Pyongyang but have no way to tell whether the companies are fronts for other activities. Taylor said MFAT would in turn be glad to report back to us.

He promised to provide Pol-Econ Couns with a memo concerning a meeting he had with a DPRK company with 70 employees in China that exports Mercedes to Iran and Iraq.

- 14. (C/NF) The NZ Embassy is the only Seoul-based western embassy accredited to Pyongyang that has an officer fluent in Korean. The officer, an ethnic Korean Kiwi, is a big hit with her DPRK counterparts when she travels there from Seoul, according to Taylor. By contrast, embassies based in Pyongyang are not allowed to employ ethnic Koreans, and only the UK mission has an officer who speaks very rudimentary Korean. As a result, all other missions use DPRK-provided interpreters, who tend to avoid translating anything they regard as sensitive. Taylor said that use of their own interpreter allows New Zealand diplomats to deliver stronger messages to Pyongyang, as new NZ Ambassador Jane Coombs did when she presented her credentials in June (ref B). Taylor also said that while other Seoul-based embassies (notably the Canadians and Scandinavians) visit N. Korea more often than Kiwi diplomats do, the others tend to see the same people all the time and never get out of the official circuit.
- 15. (S/NF) According to Taylor and Hinton, two groups of DPRK officials may be visiting Wellington over the coming months. Massey University has been asked by German national Karl Fell, of German Agro Action, to organize a 10-day tour of the North Island for five DPRK agriculture officials this November. Professor Robert McCaa of U. of Minnesota has asked Statistics New Zealand to invite the Director of the Population and Health Department of the Central Bureau of Statistics (CBS-DPRK) to a conference in Christ Church next year. MFAT has asked Massey and Statistics New Zealand to keep them informed about these visits.
- 16. (S/NF) Comment: GNZ officials are under no illusion that New Zealand has more influence over N. Korea than we do. But they see themselves as a good conduit for delivering messages to Pyongyang and share our concerns about N. Korea's nuclear ambitions and other issues. GNZ was very responsive to our efforts to shut down insurance for DPRK flags of convenience (ref C). Embassy recommends Washington add regular consultations on North Korea to its list of possible areas for increased US-NZ cooperation (ref D). McCormick